Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04

TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 /105 W ------ 001522

R 161355Z SEP 75 FM AMEMBASSY TEL AVIV TO SECSTATE WASHDC 8257

UNCLAS TEL AVIV 5890

E.O. 11652: N/A

TAGS: ETRD, EFIN, AFSP, IS, ABUD, AFIN SUBJ: US PX PURCHASES FROM ISRAEL

1. MINISTRY OF COMMERCE AND INDUSTRY'S ACTING ASSISTANT
DIRECTOR GENERAL FOR TRADE (KIRIYATI) RAISED FOLLOWING
ISSUE WITH EMBOFF. FOR PAST TEN YEARS ACCORDING TO KIRIYATI
ISRAEL HAS HAD AN AGREEMENT WITH US ARMY AND NAVY PX SYSTEMS WHEREIN
THEY

AGREED TO MAXIMIZE THEIR OFFSHORE PROCUREMENT IN ISRAEL IN RETURN FOR WHICH USG WAS AUTHORIZED TO PURCHASE DOLLARS WITH ISRAELI POUNDS FOR UP TO 35 PERCENT OF TOTAL SALES TO PX'S. GOI HAS FAVORED THIS AGREEMENT NOT ONLY BECAUSE OF APPROXIMATELY FOUR AND ONE-HALF MILLION DOLLARS IN EXPORTS IT GENERATED ANNUALLY, BUT ALSO BECAUSE IT REPRESENTED A UNIQUE OPPORTUNITY FOR ISRAEL TO PENETRATE THE US MARKET. KIRIYATI SAID HE HAD RECEIVED REPORTS THAT DALLAS HEADQUARTERS OF PX SYSTEMS HAD RECENTLY ADVISED THEIR OFFICES IN EUROPE TO MINIMIZE THEIR PURCHASES IN ISRAEL. HE ASKED IF THIS WERE TRUE, AND IF SO, WHY WAS IT BEING DONE IN LIGHT OF AGREEMENT WHICH HAS EXISTED FOR TEN YEARS BETWEEN GOI AND USG.

2. EMBASSY WOULD APPRECIATE DEPARTMENT'S GUIDANCE. UNCLASSIFIED

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TOON

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: SUPPLIES, MILITARY PERSONNEL, AGREEMENTS, OFFSHORE PROCUREMENT

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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a

Disposition Reason: Disposition Remarks:

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Review Authority: RowellE0

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Review Exemptions: n/a
Review History: RELEASED <27 MAR 2003 by MaustMC>; APPROVED <03 FEB 2004 by RowellE0>

Review Markings:

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Secure: OPEN Status: NATIVE

Subject: US PX PURCHASES FROM ISRAEL TAGS: ETRD, EFIN, AFSP, MILI, ABUD, AFIN, US, IS To: STATE

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